ABSTRACT

The present invention provides a system and method for trading mortgage-backed securities ("MBS"). A system for trading includes a plurality of workstations interconnected by a server. The workstations receive data representing inventories of their MBS pools, which in turn are delivered to the server. The server, in turn, is operable to perform a transaction based on an analysis of the inventory. One type of transaction includes a consolidation of like MBS pools found in different inventories in order to reduce the size of the inventories.